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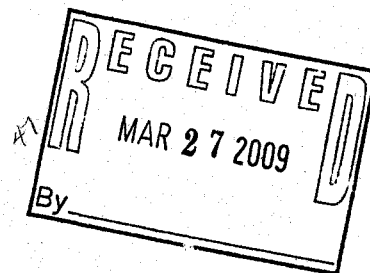


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Arizona Corporation Commission  
Commissioners Wing  
1200 Washington Street  
Phoenix AZ. 85007-2996

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To Whom It May Concern:

AZ CORP COMMISSION  
DOCKET CONTROL  
WS-03478A-08-0608

We are writing to you as concerned property owners. We recently attended the March 5th meeting regarding a proposed expansion of the Far West Water and Sewer Incorporated's utility services. It is understood and agreed upon that the current water system is in need of upgrading due to an increasing number of units being developed in the Foothills area by the H&S Developer.

Far West Water & Sewer current proposal to fund the improvements conveys the brunt of the responsibility of this upgrade, due to the aforementioned development, onto the current individual residences rather than on the developers and/or future residential home owners. The Far West Water & Sewer currently has approximately 16,000 water hookups and 8,000 septic taps in place. The majority of these hookups are to seasonal residents who do not use the current system for more than 6 months each year. The developer has approximately 600 more lots approved and ready for sale, and untold others in the planning.

We propose that rather than a monthly rate increase, which could end up costing seasonal owners as much as \$200 for each actual used month of service, that a tap fee increase of \$5,000 be instated for the remaining 600 approved lots as well as for all future lots. This could be added to the cost of the property and collected upon the sell of each lot. For the remaining 600 lots, this would generate \$3,000,000 toward the utility upgrade. Until the upgrade is completed, ACC should not be allowed to continue with the development of any more than the already approved 600 lots. I understand the ACC. has the power to put a MORATORIUM on the number of developments to NOT exceed the capacity of the sewer & water.

Additionally, we propose that the monthly fee be based on the size and/or number of units hooked up rather than a flat rate for the zoning of the lot. See the following as examples.

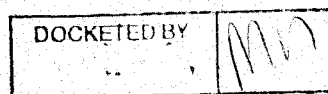
- 1 Bedroom up to 1200 square foot for residential or 1 hookup for RV = \$5,000 tap fee
- 2 Bedroom up to 1400 square foot for residential or 2 hookups for RV = \$6,000 tap fee
- 3 Bedroom up to 1800 square foot for residential or 3 hookups for RV = \$7,000 tap fee

The tap fee should be equivalent to the amount of use. This includes RVs in RV lots and RVs and park models on private lots ( example at present time RVs in RV parks pay appx. \$5.75 and RVs and park models on private lots pay appx.\$21.00 ) The monthly fee should also be adjustable according to usage. Obviously year-round residences will use more than seasonal residences. A solution to this would be an absentee monthly rate for

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MAR 30 2009



continued connection but no service. These are common practices in other States across the country that have been instated to address these very same issues.

Following the March 5th meeting, the ACC has been provided with the information and fact to address this impending issue. The above outlined proposal is a solution that provides alternate funding to your current proposal. It allows a means of funding the needed upgrades without undue hardship on either the developers or the current residential/land owners. We must keep in mind that with many of the upcoming septic replacements, the same kind of issue will arise with the sewer system. Tap fees are a common practice and a means to financing projects that keep the funding of it fair to all.

Sincerely,

C. Arthur Smith & Donna May Smith

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P.S. The rate that Far West is asking for is  
preposterous. A rate increase of 10% to 15%  
should be ample